

**EPA Region 8 Tribal Set-Aside
Drinking Water Construction Grant Program
Guidelines**

APRIL 2009

**EPA Region 8 Tribal Set-Aside
Drinking Water Construction Grant Program
Guidelines**

Table of Contents

| | | |
|-------|---|----|
| I. | Description of Program | 3 |
| II. | Applicant and Project Eligibility | 3 |
| A. | Which tribes and water systems are eligible under this grant program? | 3 |
| B. | What types of projects can be funded through this grant program? | 4 |
| C. | What types of projects cannot be funded through this grant program? | 5 |
| III. | Grant Application Process | 6 |
| IV. | Project Selection Criteria | 7 |
| V. | Emergencies | 8 |
| VI. | Capacity | 8 |
| A. | What is capacity? | 8 |
| B. | Why is capacity needed if a health risk is present? | 11 |
| C. | How does capacity affect eligibility? | 11 |
| VII. | Instructions for Completing Project Proposal Form | 13 |
| VIII. | References | 13 |
| IX. | Who to Contact | 14 |
| | Appendix A: Feasibility Study Requirements | 15 |
| | Appendix B: Project Proposal Form | 19 |
| | Appendix C: EPA Region 8 Project Ranking Criteria | 24 |
| | Appendix D: Project Activities and Tasks | 30 |

I. Description of Program

The 1996 amendments of the Safe Drinking Water Act (SDWA) provided for a Tribal Drinking Water State Water Revolving Fund similar to the Clean Water Program. The SDWA contains a provision setting aside 12 percent of the annual appropriation for drinking water systems that serve Indian tribes¹. The appropriation will be used to provide grant funding to tribes to improve public drinking water system infrastructure and address the most significant threats to public health.

While EPA headquarters issued national guidance for this tribal grant program, each EPA region had significant flexibility in developing regional funding procedures. This regional guidance is meant to provide tribes with a general overview of the grant program and a description of the requirements for applying for and obtaining a grant. As discussed in greater detail in the following sections, the grants are being offered to tribes to improve drinking water infrastructure serving predominantly Indian populations. Tribes must show that utilities have, or will develop, the technical, managerial, and financial capacity to properly maintain the grant-funded facility.

II. Applicant and Project Eligibility

A. Which tribes and water systems are eligible under this grant program?

1. Only federally recognized tribes are eligible to receive this grant funding¹.
2. Only public water systems that are community water systems or non-profit, non-community water systems are eligible to receive grants².
 - a. A public water system is defined as an entity that supplies water for human consumption and has at least fifteen service connections or regularly serves an average of at least twenty-five individuals daily at least 60 days out of the year. It may include collection, treatment, storage, and distribution facilities.
 - b. A public water system is either a community water system or a non-community water system. A community water system means a public water system which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents. A non-community water system means any public water system that is not a community water system.
 - c. Creation of new water systems - EPA will allow for the creation of a community water system to address existing public health problems of existing individual homes. This policy also extends to a situation where a new regional community water system is created by consolidating several existing systems that have technical, financial or managerial difficulties. When considering funding a project for a new system, the EPA Regional office must ensure that all of the potentially affected parties have been

notified and that the tribe has considered alternative solutions to addressing the problems.

3. The system must serve an Indian population. Grant funding can be provided to improve any eligible public water system, whether or not it is owned by a tribe, on or off of the reservation, or serving tribal communities on or off of the reservation.

In cases where the Indian population of the customers served by the project upgrades is less than 50% of the total population served by the upgrades, the tribe will be responsible for funding the project at the percentage of population of non-Indian customers served by the upgrades.

In cases where commercial or industrial entities receive water from the public water system, EPA Region 8 may ask the tribe to provide a match for the grant funds. If any commercial or industrial customer served by the project upgrades has a peak or an average daily demand greater than 20% of the peak or average project at the percentage of demand of those customers exceeding the 20% limit.

4. Systems that are in significant non-compliance with any requirement of the National Primary Drinking Water Regulations (NPDWR) will not be eligible for funding, unless daily demand of the whole system, the tribe will be responsible for funding the project which is being funded will ensure compliance².
5. Tribes will only receive funding for a project if they can demonstrate that the utility has, or will develop before initiation of operation of the newly constructed facilities, the capacity to properly maintain the treatment works (see Section VI)⁴.
6. Tribes may apply for more than one project in any given year.

B. What types of projects can be funded through this grant program?

1. Projects funded through the Tribal Set-Aside Construction Grant Program must address the most significant threats to public health associated with public water systems that serve tribal populations. Eligible projects (or portions of projects) must facilitate compliance with the National Primary Drinking Water Regulations or otherwise further the health protection objectives of the SDWA⁵. As stated in the National Guidelines, eligible improvement projects can:

Rehabilitate or develop sources (excluding reservoirs, dams, and dam rehabilitation and water rights);

Install or upgrade treatment facilities;

Install or upgrade storage facilities, including finished water reservoirs;

Install or replace transmission and distribution pipes, and;

2. Physically consolidate existing public water systems or connect homes currently on private wells to existing public water systems. *(Note that only tribes can apply for grants, not individual home owner).*

Most of the grant funds awarded in this program will go directly towards construction of water infrastructure projects. However, EPA Region 8 realizes that there are areas where tribal populations have serious concerns about the quality of their drinking water, yet the best solutions have not yet been identified. To address these cases, grant funding can be used for feasibility studies. When submitting proposals, applicants can request assistance for a feasibility study, or if a study has already been completed, applicants can apply for construction funding. If EPA Region 8 determines that a project's feasibility study is not adequate, the applicant may be awarded funds to complete a more comprehensive feasibility study rather than construction funding. EPA Region 8 may also award funds to complete an environmental document (to comply with the National Environmental Policy Act). All projects must have a completed, adequate feasibility study before EPA construction funding may be expended. Note that the level of effort and depth of analysis required for the feasibility study are proportional to the size and complexity of the proposed project. See Appendix A for a description of feasibility study requirements. Pilot studies for treatment techniques are an eligible cost. Results from pilot studies should be incorporated into feasibility studies.

C. What types of projects **cannot** be funded through this grant program?

Grant funding is **not** allowed for:

1. Monitoring (that is needed to meet requirements of Safe Drinking Water Act)²;
2. Operation and maintenance²;
3. Land acquisition (unless the land is integral to the project and is from a **willing seller**)²;
4. Dams or rehabilitation of dams⁶;
5. Water rights (except if the water rights are owned by a public water system that is being consolidated)⁶;
6. Reservoirs (except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located)⁶;
7. Projects needed primarily for fire protection⁶; or
8. Projects intended primarily for future growth⁶.

III. Grant Application Process

To minimize the workload to tribes, the grant application process will be divided into two steps.

Step One – Project Proposal

Step One will be the submittal of a project proposal. A Project Proposal Form is attached as Attachment 1 (instructions are presented in Section VII). Tribes should include copies of completed feasibility studies and environmental documents (if available). Feasibility studies are discussed in Section II.B., above, and EPA Region 8 feasibility study criteria are presented in Appendix A. Tribes must include a utility organization capacity checklist and budget. Capacity is discussed more in Section VI below. EPA Region 8 will use the information in the proposal package to place projects on a priority list, using the process described in Section IV. As mentioned earlier, a tribe may submit more than one project proposal in a given year, and in most cases, each project will be separately ranked. Additionally, if tribes submitted a project proposal in a previous year, they can contact their Tribal Set-Aside Construction Grant Program project officer (listed in Section IX) to request that the project be re-ranked during the next funding cycle. After EPA preliminarily ranks the project proposals received, each applicant tribe will be informed how its proposal(s) ranked and given the opportunity to verify and comment on EPA's ranking of the project. EPA Region 8 will then finalize and publish the priority list, notify the applicants selected to be funded, and provide formal grant applications to those selected. The number of projects selected for funding is dependent on the amount of funding available. Only projects identified and notified for funding will proceed with the second step, the formal grant application.

Step Two – Formal Grant Application

As mentioned in Section II, the formal grant application (and proposals) must be submitted by a federally-recognized tribe. As part of the formal grant application, the tribe must determine who will manage the grant, and who will be responsible for each aspect of construction. The grant application includes a checklist that describes who will handle the various aspects of project management, planning, design, construction, management plan and specification review. The list includes the many different players that must be available in a grant funded construction project to ensure that grant conditions are met and that the treatment works are built correctly and at an appropriate cost. The tribe may have adequate resources internally to ensure that the project is properly managed, or may wish to work with the Indian Health Service or another agency or firm (at the request of a tribe, funding can be transferred to the Indian Health Service through an Interagency Agreement). EPA Region 8 will closely examine the list of proposed members of the project team. If EPA Region 8 finds that one or more members may not be able to ensure that federal funds are properly managed, the tribe will need to add qualified personnel. Grant negotiations may include discussion regarding contributions to the project by commercial and/or on-tribal populations served by the system being improved.

IV. Project Selection Criteria

D. How will projects be ranked?

1. Each year EPA Region 8 will receive drinking water Tribal Set-Aside funds. Those funds will be allotted to the highest priority projects. Project ranking will be based on the following process:
 - a. Annually EPA Region 8 will notify all tribes in the Region of the availability and amount of funds, including a copy of the guidelines and proposal submission process. Tribes will submit project proposals to EPA Region 8 by the deadline specified in the notification letter. Those submitted after the deadline will not be considered during that round of funding. EPA will use the project proposal form, and all supporting information to consider the eligibility of the project. If all or part of the project is eligible, EPA Region 8 will use the information provided to score the proposal according to Project Prioritization Criteria and Ranking Form (see Appendix C). If additional information is required to accurately rank the proposal, EPA Region 8 will request the information from the tribe.
2. Three criteria carry no weight in points: Affordability, Readiness to Proceed and IHS Sanitation Deficiency System.
 - a. Affordability - Affordability is a measure of customers to pay user fees to cover all costs of operation, maintenance, replacement of parts, equipment and debt service. All proposals from tribes will be considered on an equal affordability basis. In reality, some customers can afford higher rates than others, and some rates are higher than others. Each funded project will include a heavy emphasis on utility capacity, which will address affordability and equity of user rates and encourage or assist each system to be financially self-supporting. Upgrades or expansions to serve commercial or industrial customers, who are responsible for more than 20% of the peak or average daily demand, will require a tribal contribution percentage to be calculated before award of funds.
 - b. Readiness to Proceed - If a proposed project cannot begin feasibility planning, design or construction within one year of award, it will not be considered eligible for funding. If funds are awarded and planning, design or construction do not begin within one year of award, the grant will be closed out, and funds will be awarded to another proposed project within Region 8. If a project is delayed during planning, design or construction for more than one year with no progress, the project will be investigated and the possibility of closing out the grant and using the funds on another project will be considered.

- c. IHS Sanitation Deficiency System (SDS) - The SDS from each IHS Area each year will be used to identify projects. Each tribe with a drinking water project on the SDS, which meets the eligibility criteria for EPA funding, will be contacted by EPA Region 8 during the proposal solicitation period and the tribe will be requested to complete the Project Proposal Form and supply other additional supporting information as necessary. If the tribe supplies this information by the specified proposal submission deadline, the project will be considered for eligibility and ranking. The SDS system will not be used to score the projects during ranking, except to possibly provide information to support other ranking criteria.
3. After EPA Region 8 preliminarily ranks a project proposal and prepares a preliminary Project Priority List, the applicant tribe will be informed as to how its proposal(s) ranked and will be given the opportunity to comment on the ranking. After considering the comments, EPA Region 8 will prepare a final Project Priority List. As required by EPA's National Guidance, EPA will then provide the entire list of projects (including estimated costs) to all tribes and other interested parties.

V. Emergencies

1. The national guidance allows regions to fund unanticipated emergency projects ahead of projects on the priority list. Since the ranking process inherently considers emergency situations, no special procedures will be used.

VI. Capacity

1. EPA's national policy is that all water system owners must have the technical, financial and managerial capacity to properly run their water utilities in order to receive funding. If utilities do not currently have adequate capacity, system owners must make appropriate changes in operation (management, rate structure, maintenance, consolidation, alternative supplies, etc.) to ensure the long-term capability of the system. If a system does not have, or will not be able to develop capacity, it will not be eligible to receive drinking water tribal set-aside funds.⁴

A. What is capacity?

1. EPA characterizes the three elements of technical, financial and managerial capacity to properly run the utility as follows:

Technical capacity refers to: the physical infrastructure of the water system (the capability of the system components to provide water that meets the requirements of the SDWA), and the technical knowledge of the system personnel and their ability to use that knowledge to adequately operate the system. Requirements for adequate technical capacity include:

- a) Employment of certified operator (as appropriate for system):

Customers of any public water system need to be provided with an adequate supply of safe, potable drinking water. To attain this, it is essential that public water system operators are trained and certified and that they have knowledge and understanding of the public health reasons for drinking water standards. Without qualified and trained operators public health cannot be adequately protected.

- b) Adequate staff to operate the system:

It is important to allow sufficient time for staff to examine the system, conduct preventive maintenance, ensure that conditions remain sanitary, address problems as quickly as possible to avoid a loss of pressure, prevent a lack of water; continue proper operation etc. This can be done by a variety of methods, but public health and the water system must be priorities of the operator(s).

- c) Ability to adequately survey system:

Operating a system requires regular inspections of the facilities, (including the inside and outside of storage tanks, pump houses, and well heads), flushing gate valves regularly, etc. To achieve this, the operator must have access to a vehicle when facilities are not located within immediate walking distance.

- d) Availability of the tools and measurement devices necessary to perform routine operation and maintenance on the system:

At times operators lack the ability to address a problem merely for lack of tools or instruments to conduct routine maintenance, such as changing leaky gaskets, flushing valves, or repairing chlorinators.

- e) Existence of as-built drawings:

The existence of as-built drawings allows operators to properly conduct necessary maintenance activities such as flushing the system regularly, locating shut-off gate valves to isolate a break, and locating the system components for excavation.

- f) Ongoing training and safety programs:

Ongoing training allows operators to sharpen their skills and better address system operations. Safety programs and equipment protect workers and the public and are required by law (OSHA).

Financial capacity includes the ability of the system to maintain sufficient revenues to cover operation costs and the effective management of those resources in operation of the system. In effect, is the system financially healthy? Requirements for adequate financial capacity include:

- a) An adequate written budget (and process in place) to pay for staff, chemicals, power, maintenance:

Financial capacity is key to proper operation and maintenance. A written budget is the first step. The delivery of water is essential to maintain sanitary conditions and public health. Though often smaller systems cost more per user than large systems (because of economies of scale), most ground water systems are relatively inexpensive as a necessary utility. Costs in some areas have been estimated below \$20 per household connection. It is important for communities to make enough funds available to properly operate and maintain the system. Of course users must also pay their bills to ensure the financial stability of the system.

- b) A capital replacement plan (or at a minimum, identification of capital replacement needs):

This ensures that money is set-aside from the budget to address expected major repairs that happen on a regular basis for such things as pump replacement and tank cleaning. Anticipation of major modifications and expansions is necessary. If these are not set aside in the budget, it may lead to a budget shortfall when the items need replacement.

- c) Funding for budget identified (whether through users or a general fund) at the beginning of the year:

It is important, to ensure continued operation at a reasonable cost, that a budget is developed and funds are identified. This allows the system to address expenses in a reasonable manner as opposed to expending greater amounts when the unforeseen emergency arises (e.g. a pump due for replacement breaks down over the weekend, creating a need to expedite shipment and pay overtime).

- d) Record keeping for budget, use, operations, and equipment:

For consistently efficient operations, it is necessary to anticipate budget expenses and equipment needs ahead of time.

Managerial capacity includes such things as ownership accountability, the ability of management to adequately staff the system with qualified personnel, an understanding of the regulatory requirements involved in operating a water system; and the ability to interact well with customers and regulators. Requirements for adequate managerial capacity include:

- a) All monitoring required by the Safe Drinking Water Act is consistent and up-to-date:

While monitoring itself does not correct health problems, it is necessary to determine the quality of water and ensure protection of public health. Though not eligible for funding, monitoring is required by law.

- b) The existence of a person or persons responsible for managing the system:

The responsibilities of the managers must be well-defined and in written form. The "checks and balances" on those with responsibility for the system should also be well-defined and in written form (e.g.; water board, tribal council review). The division/delegation of responsibility will clearly be more complex with a larger water system than with a small water system.

- c) Development and implementation of source water protection plan:

Source water protection is necessary to ensure that once the water source is developed to the greatest extent possible, it remains safe for human consumption.

B. Why is capacity needed if a health risk is present?

- 1. Although the Safe Drinking Water Act does not expressly include capacity requirements under the tribal set-aside program, EPA's national policy is to ensure that consumers are continually provided safe drinking water and that the government's investment in tribal water systems is protected⁴. The investment in physical infrastructure is only one part of ensuring safe drinking water delivery. Lack of proper operations and maintenance may lead to deterioration of the infrastructure and lead to unsanitary conditions. Proper staffing, management, financial planning and funding are crucial to ensure that operations and maintenance are adequate.

C. How does capacity affect eligibility?

- 1. EPA Region 8 will rate projects solely using the methodology presented in Section IV. An assessment of capacity is part of the proposal process. The assessment will include an evaluation by a team of EPA experts to review the

utility's technical, managerial and financial capacity, based on information provided in the proposal and information already available to EPA. If, during the ranking process, EPA Region 8 determines that a utility does not have adequate capacity to operate and maintain the system, the system owner would have to agree to take appropriate steps to ensure that the utility develops the appropriate level of capacity before initiation of operation of the proposed facilities. A plan to accomplish this during the proposed project may be required from the owner before award of funds. Appropriate steps may include some or all of the following:

- a) Training and certifying existing system personnel or hire trained and certified personnel;
- b) Developing a source water protection plan;
- c) Developing an infrastructure replacement plan;
- d) Instituting a long-term program to provide any needed operation and maintenance;
- e) Conducting an analysis of the system's financial health;
- f) Adopting a rate structure that will provide the system with sufficient resources to adequately maintain and operate the system;
- g) Establishing a reserve fund to replace infrastructure reaching the end of its useful life, or;
- h) Establishing an entity to manage and operate the system;

EPA Region 8 will also have to evaluate other forms of capacity when considering grant applications. For example, tribes will have to demonstrate that they have the ability (either in-house or with the assistance of the Indian Health Service or another appropriate agency) to meet EPA's grant management requirements and properly oversee the construction project. These issues are discussed further in Section III. History of previous EPA grant performance will be considered.

The above capacities and abilities are not only requirements for this grant program, but also valuable for any water system. Tribes wishing to receive more information about improving the technical, managerial and financial capacity of their systems, or other project management skills should contact their EPA 8 Tribal Set-Aside Construction Grant Program Project Officer (see Section IX).

VII. Instructions for Completing the Project Proposal Form

Tribes must fill out a copy of the attached form for each project to be placed on the project priority list. Additional pages may be attached as necessary to ensure that EPA receives complete information to consider evaluation project proposals. The project proposal should include completed feasibility studies and environmental documents if available. See below for specific directions.

1. Problem Description - In this section, describe the problem, the impact that it has had on the water system and/or tribe, and the reason that this project is necessary. List the public health, public safety, compliance and environmental issues that the project will address.
2. Project Scope - Include a general description of the proposed project and what the project will do to solve the problem.
3. Project Justification - This section is directly related to the scoring criteria.
4. Project Description - In this section describe the project in detail. Itemize the major new or modified components that make up the project.
5. Project Cost - List any estimates based on available feasibility studies, engineering studies, or other sources.
6. Project Schedule - List realistic proposed target dates. Allow about 9 months for award.
7. This form must be signed by a tribal official certifying that the information supplied is accurate.

VIII. References

Sections of this guidance were adopted from materials produced by the following agencies:

U.S. Department of Agriculture, Rural Utility Service (Feasibility Study Requirements)

U.S. EPA Region 9 (Guidance)

Pennsylvania Department of Environmental Protection (Project Prioritization Criteria)

Footnoted references are as follows:

1. 42 U.S.C. 300j-12(i)(1)
2. 42 U.S.C. 300j-12(a)(2)

Revised April 1, 2009

3. 42 U.S.C. 300j-12-(i)(2)
4. U.S. EPA Tribal Set-Aside Program Guidelines (national), p. 16
5. U.S. EPA Tribal Set-Aside Program Guidelines (national), Appendix A
6. U.S. EPA Tribal Set-Aside Program Guidelines (national), p. 14

IX. Who to Contact

Minnie Adams
TSA Coordinator
US EPA, 8P-W-TF
1595 Wynkoop Street
Denver, Colorado, 80202-1129

(303) 312-6624
FAX (303) 312.6131
email: adams.minnie@epa.gov

Tsegaye Hailu, Capacity Development WAM
US EPA, 8P-W-DW
1595 Wynkoop Street
Denver, Colorado. 80202-1129

(303) 312-6273
(303) 312-6131
email:hailu.tsegaye@epa.gov

Appendix A

Feasibility Study Requirements

- I. **GENERAL.** A feasibility study should clearly describe the owner's present situation, analyze alternatives and propose a specific course of action, from an engineering perspective. **The level of effort and depth of analysis required for the feasibility study are proportional to the size and complexity of the proposed project.** The following should be used as a guide for the preparation of the feasibility studies.
- II. **PROJECT PLANNING AREA.** Describe the project area under consideration in the context of the existing and projected water system service area. The description should include information on the following:
 - A. Location. Maps, photographs, and sketches. These materials should indicate legal and natural boundaries, major obstacles, elevation, etc.
 - B. Growth Areas and Population Trends. Specific area(s) of concentrated growth should be identified. Population projections for the project planning area should be provided for the design period. These projections should be based on historical records with justification from recognized sources.
- III. **EXISTING FACILITIES.** Describe the existing facilities including at least the following information:
 - A. Location Map. Provide a schematic layout and general service area map (map should be identified in project planning area maps of Section II. A. above);
 - B. History (only if requested by EPA);
 - C. Condition of Facilities. Describe present condition, suitability for continued use, adequacy of water supply (quantity and quality), and, if any existing central facilities, the treatment, storage and distribution capabilities.
- IV. **NEED FOR PROJECT.** Describe the needs in the following order of priority:
 - A Describe current health risks and/or significant Safe Drinking Water Act non-compliance issues, and any anticipated health risks and/or significant Safe Drinking Water Act non-compliance issues after the project is completed.
 - B. Describe the current O&M issues and those anticipated after the project is complete.

- C. Describe the reasonable growth capacity that is necessary to meet needs during the life of the improved portion of the system.
 - D. Other Benefits. Describe any other benefits resulting from this project (e.g.; improvements in aesthetic quality of water).
- V. **ALTERNATIVES CONSIDERED.** This section should contain a description of all reasonable alternatives (and a no-action alternative) considered in planning a solution to meet the identified need. The description should include the following information on each alternative:
- A. Description. Describe the facilities associated with the alternative. Describe all feasible water supply sources and provide comparison of such sources. Also, describe treatment, storage and distribution facilities.
 - B. Design criteria. State the design parameters used for evaluation purposes.
 - C. Map. Schematic layout.
 - D. Land requirements. Identify sites and easements required. Further specify whether these properties are currently owned, to be acquired or leased.
 - E. Construction problems. Discuss concerns such as subsurface rock, high-water table, limited access, or other conditions which may affect cost of construction or operation of facility.
 - F. Environmental document. Describe unique direct and indirect impacts on flood plains, wetlands, other important land resources, endangered species, historical and archaeological properties, etc., as they relate to a specific alternative. EPA must conduct an environmental review prior to project approval.
 - G. Cost Estimates.
 - 1) Construction
 - 2) Non-construction and other projects.
 - 3) Annual operation and maintenance.
 - 4) Present worth based on federal discount rates.

H. Compare and contrast each alternative. A matrix may be helpful to display results. At a minimum the following items should be addressed:

- a. Environmental impacts
- b. Annual O&M costs
- c. Required operational expertise
- d. Ability to achieve compliance with Safe Drinking Water Act requirements
- e. Ability to address public health concerns
- f. Total construction and non-construction costs
- g. Other tribal concerns

VI. PROPOSED PROJECT (recommended alternative). This section should contain a fully developed description of the proposed project based on the preliminary description under the evaluation of alternatives. At a minimum, the following information should be included (if applicable):

A. Project Design.

1. Water supply. Include requirements for quality and quantity. Describe recommended source, including site.
2. Treatment. Describe process in detail and identify location of plant site and any process discharges.
3. Storage. Identify size, type and site location.
4. Pumping stations. Identify size, type, site location and any special power requirements.
5. Distribution layout. Identify general location of line improvements, lengths, sizes, materials and key components.
6. Hydraulic calculations. This information should provide sufficient detail adequate for sound engineering design. Automation tools must be used by the engineer. The submittal should include a map with a list of nodes and pipes and the associated characteristics, such as elevation of node, pipe demands, fire flow, hydraulic calculations, etc.

- B. Cost estimate. Provide an itemized estimate of the project cost based on the anticipated period of construction. Include development and construction, and land acquisition associated with the proposed project.
- C. Annual costs of recommended alternative after project improvements. Project operations, realistic maintenance and capital improvement costs. In the absence of other reliable information, base data on actual costs of other existing facilities of similar size and complexity. Include facts in the study to substantiate operation and maintenance cost estimates. Include salaries, wages, taxes, accounting, and auditing fees, legal fees, interest, utilities, gasoline, oil and fuel, insurance, repairs, maintenance, supplies, chemicals, replacement costs, purchased water costs, office supplies, printing and other miscellaneous costs.

VII. CONCLUSIONS AND RECOMMENDATIONS. Provide any additional findings and recommendations that should be considered in development of the project. This may include recommendations for special studies, the need for special coordination, a recommended plan of action to expedite project development, etc.

Project Proposal Form

Project Proposal Form (continued)

See Section VII: Instructions for Completing Project Proposal Form

| | |
|---|--|
| Applicant Information | Tribe submitting proposal _____ |
| | Project manager's name _____ |
| | Address _____ |
| | _____ |
| | _____ |
| | Phone No _____ FAX No _____ |
| | Email _____ |
| Service Area Information | Number of connections _____ Number of existing meters _____ |
| | Population _____ Number of tribal people served by project _____ |
| | Number of non-tribal people served by project _____ |
| | |
| Water Utility Information | Project location _____ |
| | Water system owner _____ |
| | Will ownership be transferred to a new owner? _____ |
| | If yes, please explain _____ |
| | _____ |
| | _____ |
| | _____ |
| | _____ |
| | _____ |
| | _____ |
| | Is this a public water system (PWS)? _____ |
| | If yes, PWS ID No. _____ |
| | Is this a community or non-community water system? _____ |
| | Is this a for-profit water system? _____ |
| Other Background Information | Describe any existing conservation measures. _____ |
| | _____ |
| | _____ |
| | _____ |
| | _____ |
| | _____ |

Project Proposal Form (continued)

Does the Tribe and/or water utility have a source or wellhead protection program? _____

If yes, is the Tribe or system in the process of implementing one of the above programs? _____

Is the proposed project a consolidation project? _____

If yes, how many systems will be consolidated? _____, and

What are their populations? _____

Give the names and/or PWS ID #s of systems being consolidated.

**Problem
Description**

**Project
Scope**

Project Proposal Form (continued)

(Check all that apply below). If the answer is yes, please provide a short narrative and supporting documentation. No more than one (1) page for each topic. Any supporting documentation must be no more than two (2) pages. All material must be loose and each page must be numbered on 8 1/2 x 11 paper. No CDs please.

**Project
Justification**

- ☐ Address a serious risk to human health
☐ Provide compliance with Safe Drinking Water Act requirements
☐ Assist community water system(s)

Was need identified as a result of a Sanitary Survey? _____

Will this project be administered by IHS? ____ or Tribe? _____

(Check all that apply below). If the answer is yes, please provide a short narrative and supporting documentation. No more than one (1) page for each topic. Any supporting documentation must be no more than two (2) pages. All material must be loose and each page must be numbered on 8 1/2 x 11 paper. No CD please.

Project Will Provide:

- ☐ Improvement in public health
☐ Improvement in public safety
☐ Improvements in ability to comply
☐ Improvements in environment
☐ Improvements in adequacy and efficiency
☐ Utility organization capacity

**Project
Description**

Describe the proposed project: _____

Project Cost

Estimated total project cost \$ _____

Amount of this being requested from EPA TSA \$ _____

Project Proposal Form (continued)

**Project
Schedule**

EPA project milestones: (targets)

Award _____

Planning start _____

Planning complete _____

Design start _____

Design complete _____

Construction start _____

Plan of operation complete (At 50% of construction) _____

Construction complete _____

Initiation of operation _____

Final report (90 Days after construction complete) _____

Performance certification (1 Year from initiation of operation) _____

Closeout along with project budget/financial plan _____

**Project
Financial
Plan**

Budget estimates:

Engineering \$ _____

Construction \$ _____

Administration \$ _____

Equipment \$ _____

Land acquisition \$ _____

Contingencies (10%) \$ _____

Estimated total project cost \$ _____

Explain. _____

Have other entities committed to contribute funding for this project? _____

If so, describe commitment and dollar amount. _____

Project Proposal Form (continued)

Have you applied for funding from other agencies? _____

If so, what agencies and dollar amount? _____

Is Indian Health Service involvement anticipated? _____

If so, how? _____

Will EPA funds be transferred to IHS for administration of project? _____

*(Check all that Apply Below). If answer is yes, please attach supporting documentation.
All material must be loose and each page must be numbered on 8 1/2 x 11 paper. No CDs.*

| | | | |
|---------------------------|---|--|------------------------------------|
| Project Status | Feasibility Study complete? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |
| | Environmental information document complete? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |
| | Preliminary design complete? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |
| | Final design complete? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |

| | | | |
|----------------------------|--|--|------------------------------------|
| Tribal Capacity | Operations plan which describes day-to-day operation of the present facilities? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |
| | A copy of business plan? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |
| | Recent budget, planning tool and user fee schedule? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |
| | List of operators and their certification levels? | <input type="checkbox"/> Yes (Attach) | <input type="checkbox"/> No |

Signature of person certifying that this information is accurate _____
(Project approval by Council or Tribal leader recommended)

Title of Certifying Official _____ **Date** _____

EPA Region 8 Ranking Criteria

1. IMPROVEMENTS IN PUBLIC HEALTH - up to 70 points

Critical or acute

Forty (40) points will be awarded to projects that propose to eliminate a problem that poses an acute hazard to the consumer. The applicant must provide written documentation to confirm these problems, supported by analytical results or engineering reports.

Chronic

Thirty (30) points will be awarded to projects that propose to eliminate a problem that poses a chronic, non-acute hazard to the consumer.

Periodic

Twenty (20) points will be awarded to projects that propose to eliminate a problem that poses a periodic, non-acute hazard to the consumer.

Potential

Fifteen (15) points will be awarded to projects that propose to eliminate a problem that poses a potential hazard to consumers.

Sanitary Surveys (may be in addition to other criteria)

Up to 20 points will be awarded to projects that propose to address recommendations of an EPA Sanitary Survey.

Preventive (may be in addition to other criteria)

Ten (10) points will be awarded to projects that propose preventive maintenance improvements.

Only one of the first four factors may be selected, in addition to the last two, allowing up to 70 total points for Improvements in Public Health.

2. IMPROVEMENTS IN PUBLIC SAFETY - up to 45 points

Ongoing or chronic

Twenty-five (25) points will be awarded to projects that propose to eliminate a problem that poses an ongoing public safety hazard. The applicant must provide written documentation to confirm these problems.

Periodic or potential

Twenty (20) points will be awarded to projects which propose to eliminate a public safety hazard which has occurred periodically or if there is potential for the problem to re-occur.

Preventive maintenance

Fifteen (15) points will be awarded to projects, which propose preventive maintenance improvements related to a potential public safety hazard.

Security (may be in addition to other criteria)

Fifteen (15) points will be awarded to projects, which propose security or emergency response plan/measures.

Worker safety (may be in addition to other criteria)

Five (5) points will be awarded to projects, which propose to eliminate a worker safety hazard.

Only one the first three factors may be selected, in addition to the last two, allowing up to 45 total points for improvements in public safety

3. IMPROVEMENTS IN ABILITY TO COMPLY - up to 50 points**Violation posing acute hazard. Failure to monitor does not qualify (may be in addition to other criteria).**

Twenty (20) points will be awarded to projects, which propose to eliminate a violation posing an acute health or safety hazard.

Violation posing non-acute hazard. Failure to monitor does not qualify (may be in addition to other criteria).

Fifteen (15) points will be awarded to projects, which propose to eliminate a violation posing a non-acute health or safety hazard.

Regulation with deadline specified by EPA (may be in addition to other criteria).

Ten (10) points will be awarded to projects which propose to improve compliance with a deadline specified in regulation.

Regulation with no deadline specified by EPA (may be in addition to other criteria).

Five (5) points will be awarded to projects which propose to improve compliance with regulation without deadlines.

Any or all of the factors may be selected, allowing up to 50 total points for Improvements in ability to comply.

4. IMPROVEMENTS IN ENVIRONMENT - up to 11 points

Surface or ground water quality improvements

Five (5) points will be awarded to projects which propose to correct an existing surface or ground water environmental pollution problem.

Surface or ground water quality improvements

Four (4) points will be awarded to projects which propose to improve an existing environmental condition not related to pollution.

Surface or ground water quantity improvements (water rights - may be in addition to other criteria).

Three (3) points will be awarded to projects which propose to address surface or ground water quantity or water rights issues.

Aesthetic or quality of life improvements (may be in addition to other criteria).

Two (2) points will be awarded to projects which propose to improve the quality of life for consumers through environmental improvements.

No negative environmental or social impact (may be in addition to other criteria).

One (1) point will be awarded to projects in which there is no demonstrable negative environmental or social impact.

Only one of the first two factors may be selected, in addition to any or all of the last three factors, allowing up to 11 total points for improvements in environment.

5. IMPROVEMENTS IN ADEQUACY AND EFFICIENCY - up to 35 points

Conservation (may be in addition to other criteria).

Fifteen (15) points will be awarded to projects which propose to provide water conservation measures.

Consolidation (may be in addition to other criteria).

Five (5) points will be awarded to projects which propose to improve existing facility operation or maintenance through water system consolidation.

Reliability (may be in addition to other criteria).

Five (5) points will be awarded to projects which propose to improve the reliability of the existing system.

Operating cost reduction (may be in addition to other criteria).

Five (5) points will be awarded to projects which propose to reduce the cost of operating the system, other than consolidation or conservation.

Aesthetic quality or availability of water (may be in addition to other criteria).

Five (5) points will be awarded to projects which propose to improve the aesthetic quality of the water or increase available water, other than consolidation or conservation.

Any or all of the factors may be selected, allowing up to 35 total points for improvements in adequacy and efficiency.

6. CAPACITY - up to 45 points

Technical Capacity

Points will be awarded to projects for which the owner has demonstrated the technical capacity to operate and maintain the facility to provide service to customers, which meets the requirements of the regulations. The technical capacity points will be based on information provided by the applicant who substantiates proper operation of the facilities. Specifically, the following factors will be evaluated:

Up to 10 points will be awarded for using adequate staff and a recognized certifying authority (must certify operator with the appropriate certification level). A list of staff and copies of certificates are required.

Up to 5 points will be awarded for use of an operations plan which describes in detail the day-to-day operations of the facilities. A copy of the operations plan is required.

Any proposal which fails to demonstrate the existing technical capacity to operate and maintain the facility must plan to acquire the minimum technical capacity as a result of the proposed project. A detailed description of the plan must be developed before award of funds. Assistance from EPA Region 8 is available for this process.

Managerial Capacity

Points will be awarded to projects for which the owner has demonstrated the managerial capacity to operate and maintain the facility to provide service to customers, which meets the requirements of the regulations. The managerial capacity points will be based on information provided by the applicant who substantiates ownership accountability, adequate staff, organizational structure and effective linkages. Specifically, the following factors will be evaluated:

Up to 10 points will be awarded for clear division and/or delegation of responsibility in the organization. An illustration or explanation of the organizational structure is required.

Up to 5 points will be awarded for use of a business plan. A copy of the business plan is required.

Any proposal, which fails to demonstrate the existing managerial capacity to operate and maintain the facility, must plan to acquire the minimum managerial capacity as a result of the proposed project. A detailed description of the plan must be developed before award of funds. Assistance from EPA Region 8 is available for this process.

Points will be awarded to projects for which the owner has demonstrated the managerial capacity to operate and maintain the facility to provide service to customers, which meets the requirements of the regulations. The managerial capacity points will be based on information provided by the applicant who substantiates ownership accountability, adequate staff, organizational structure and effective linkages. Specifically, the following factors will be evaluated:

Financial Capacity

Points will be awarded to projects for which the owner has demonstrated the financial capacity to operate and maintain the facility to provide service to customers. The project must meet the requirements of the regulations. The financial capacity points will be based on information provided by the applicant, which substantiates fiscal controls, revenue sufficiency and ability to access funds.

Up to 10 points will be awarded for the use of a budget and a financial planning tool for future operations. A copy of a recent budget and planning tool are required.

Up to 5 points will be awarded for the effective use of a revenue system, which equitably distributes the expenses among the users and uses those revenues for budgeted expenses. A copy of the user charge ordinance or similar description is required.

Any proposal, which fails to demonstrate the existing financial capacity to operate and maintain the facility, must plan to acquire the minimum financial capacity because of the proposed project. A detailed description of the plan must be developed before an award of funds. Assistance from EPA Region 8 is available for this process.

All of the technical, managerial and financial capacity factors will be evaluated for each proposal, allowing up to 45 total points for capacity.

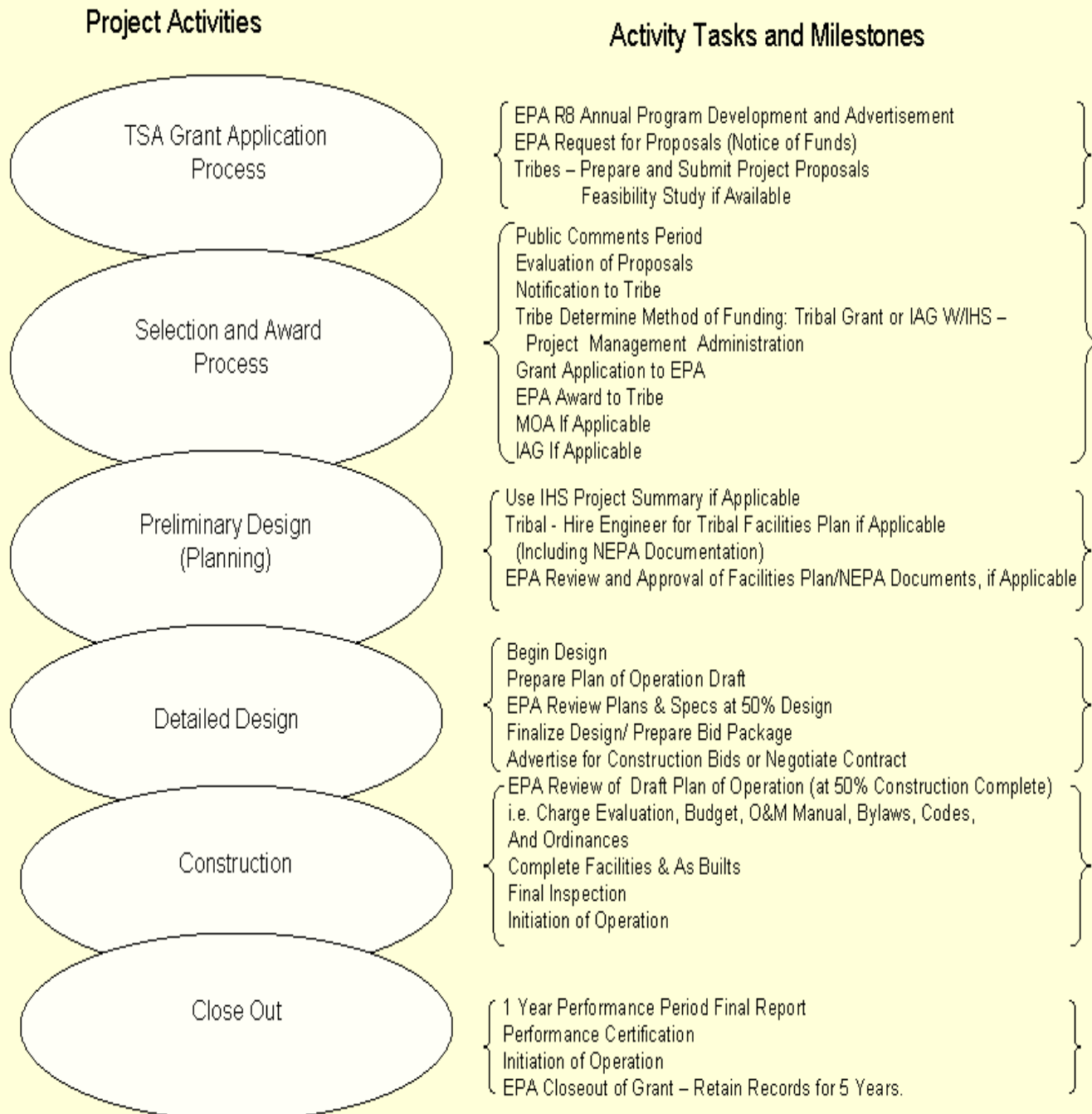
Past Performance

Up to 15 points will be awarded to projects that demonstrate the following past performance on previous grants. This information will be based on information provided by the program project officer file.

- quarterly report
- payments
- closeout report
- project schedule
- completion of project on time
- and result of single audit report

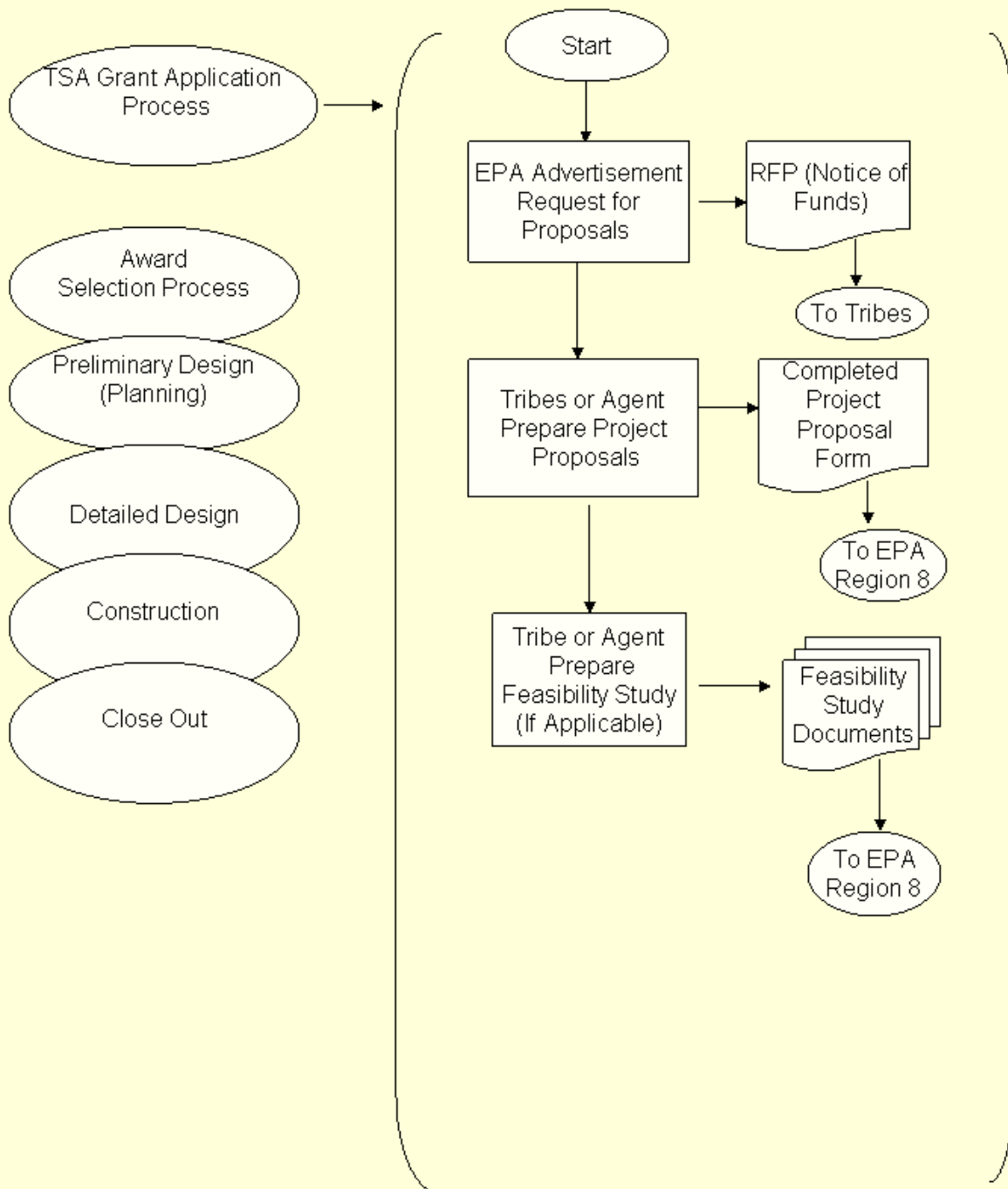
Project Activities and Tasks

Tribal Set-Aside Construction Grant Program



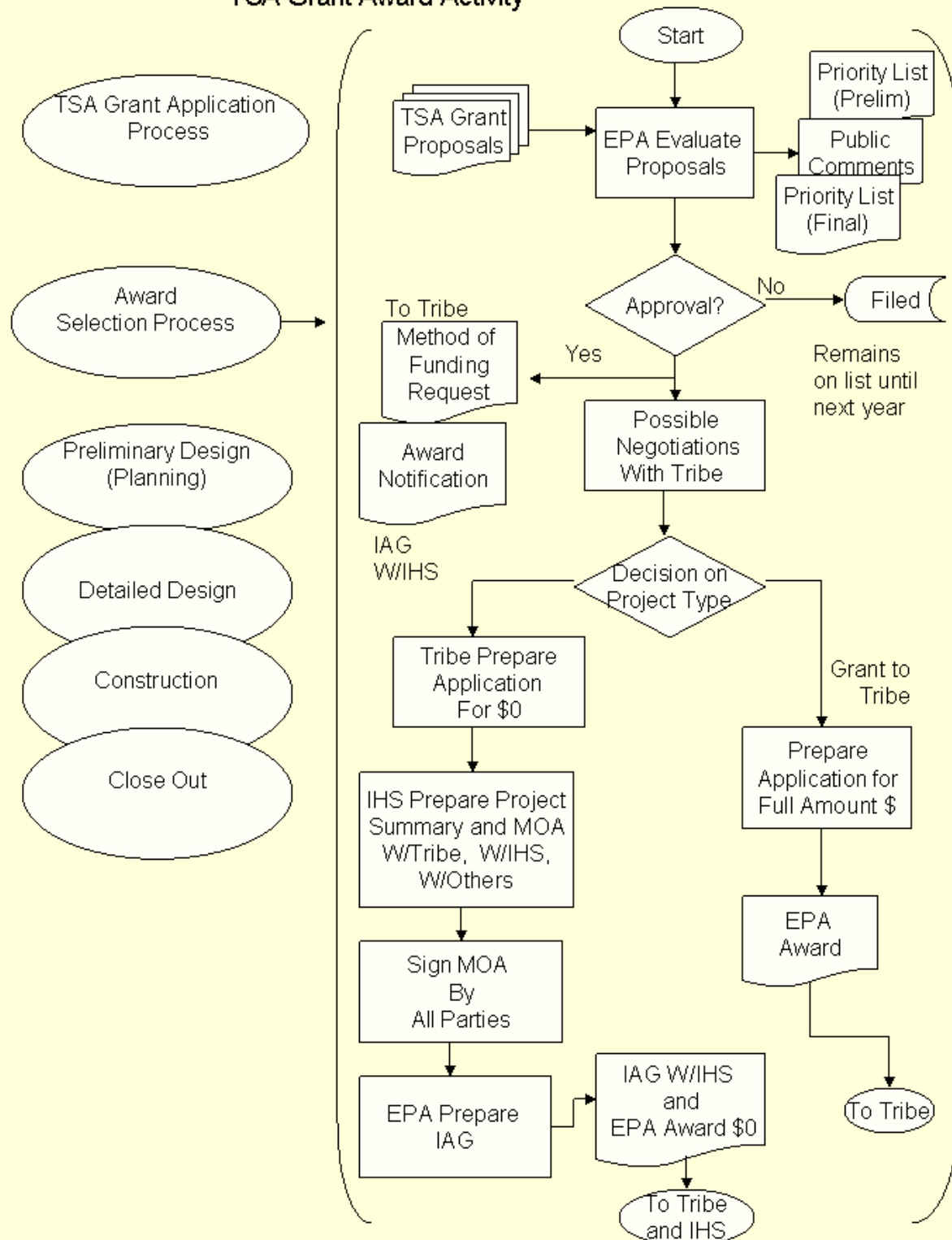
Tribal Set-Aside Construction Grant Program

TSA Grant Application Process Activity



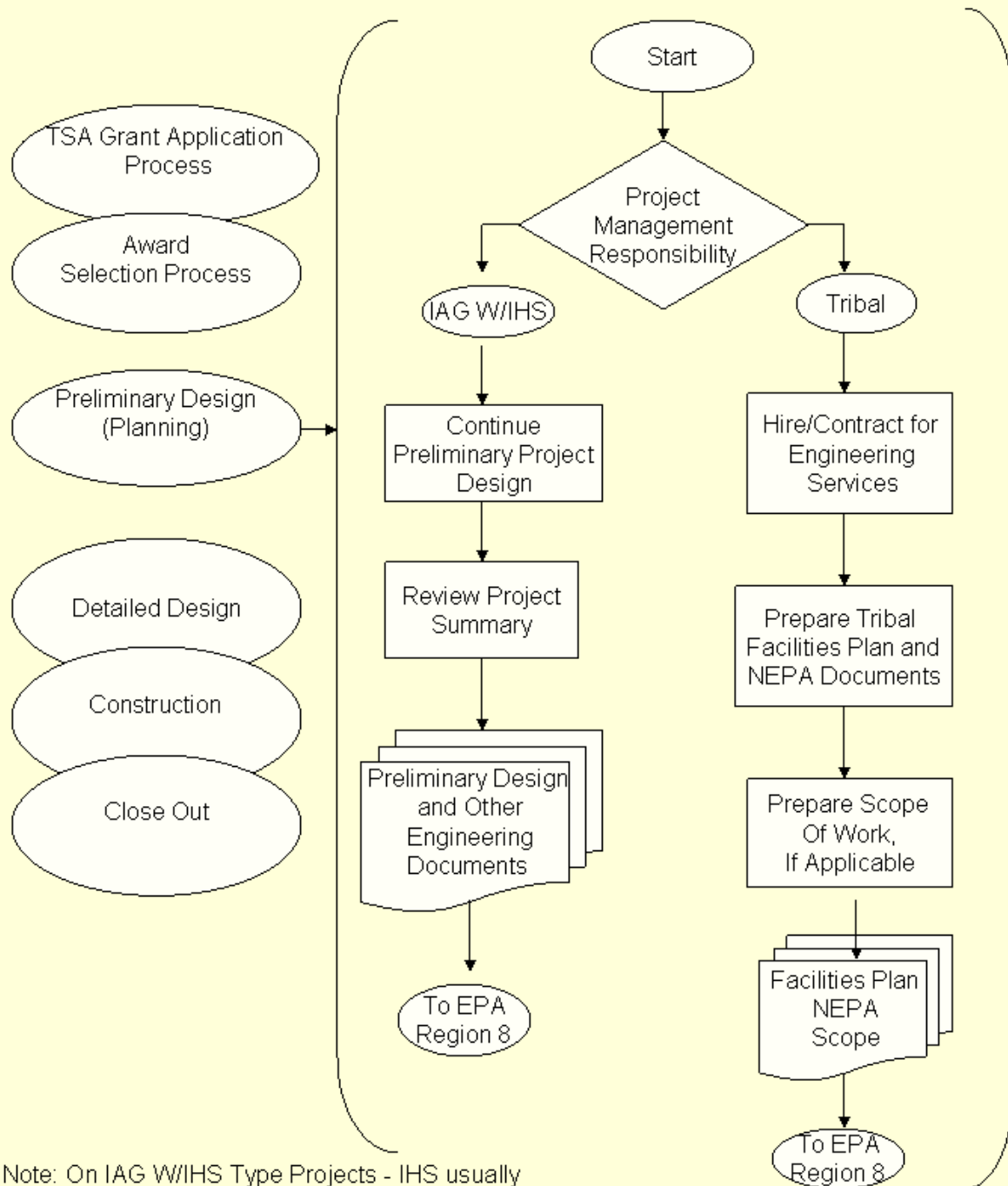
Tribal Set-Aside Construction Grant Program

TSA Grant Award Activity



Tribal Set-Aside Construction Grant Program

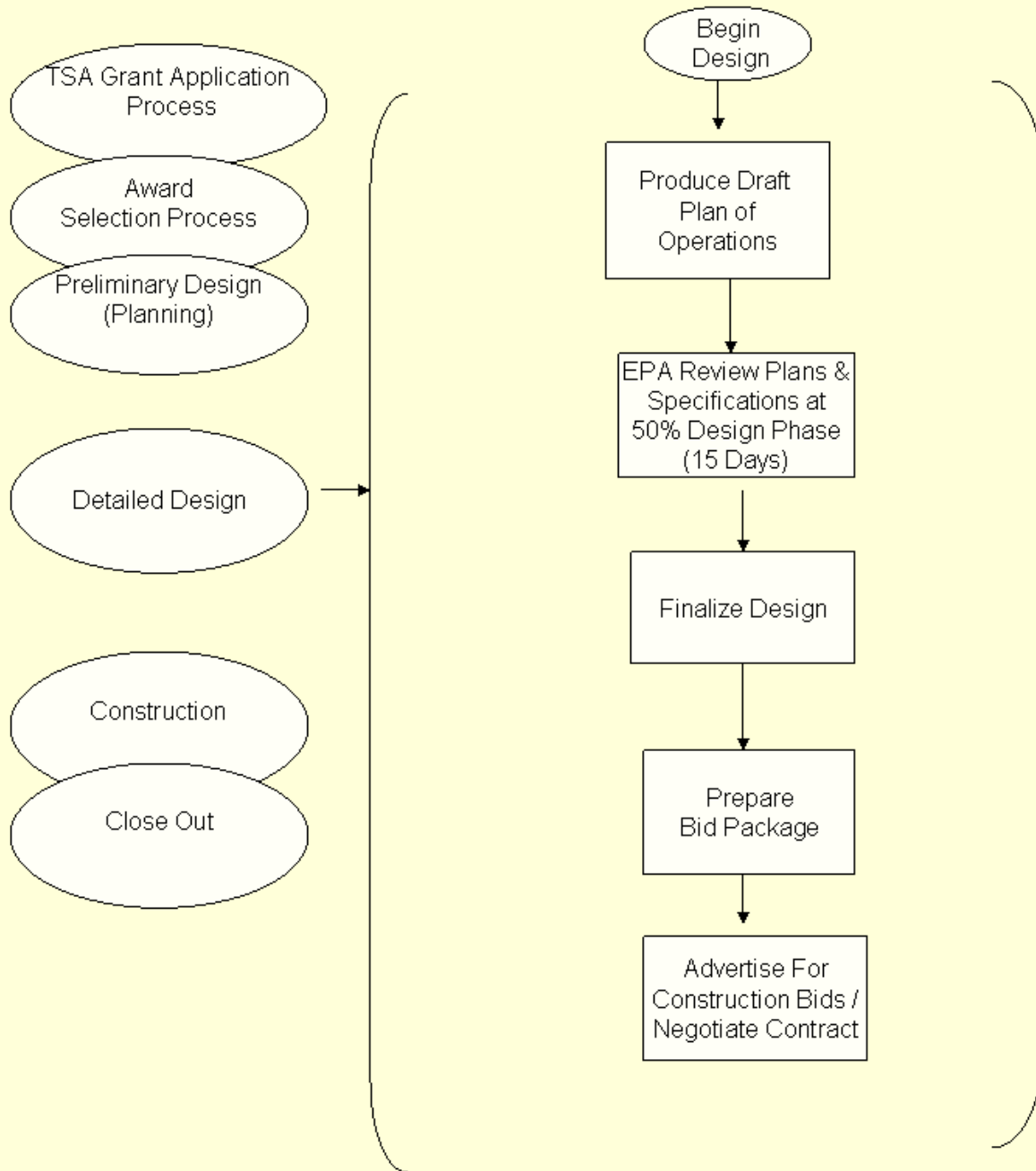
Preliminary Design (Planning)



Note: On IAG W/IHS Type Projects - IHS usually performs the feasibility study, design and engineering work for the project. On Grant to Tribe Type Projects the Tribe is responsible for these deliverables.

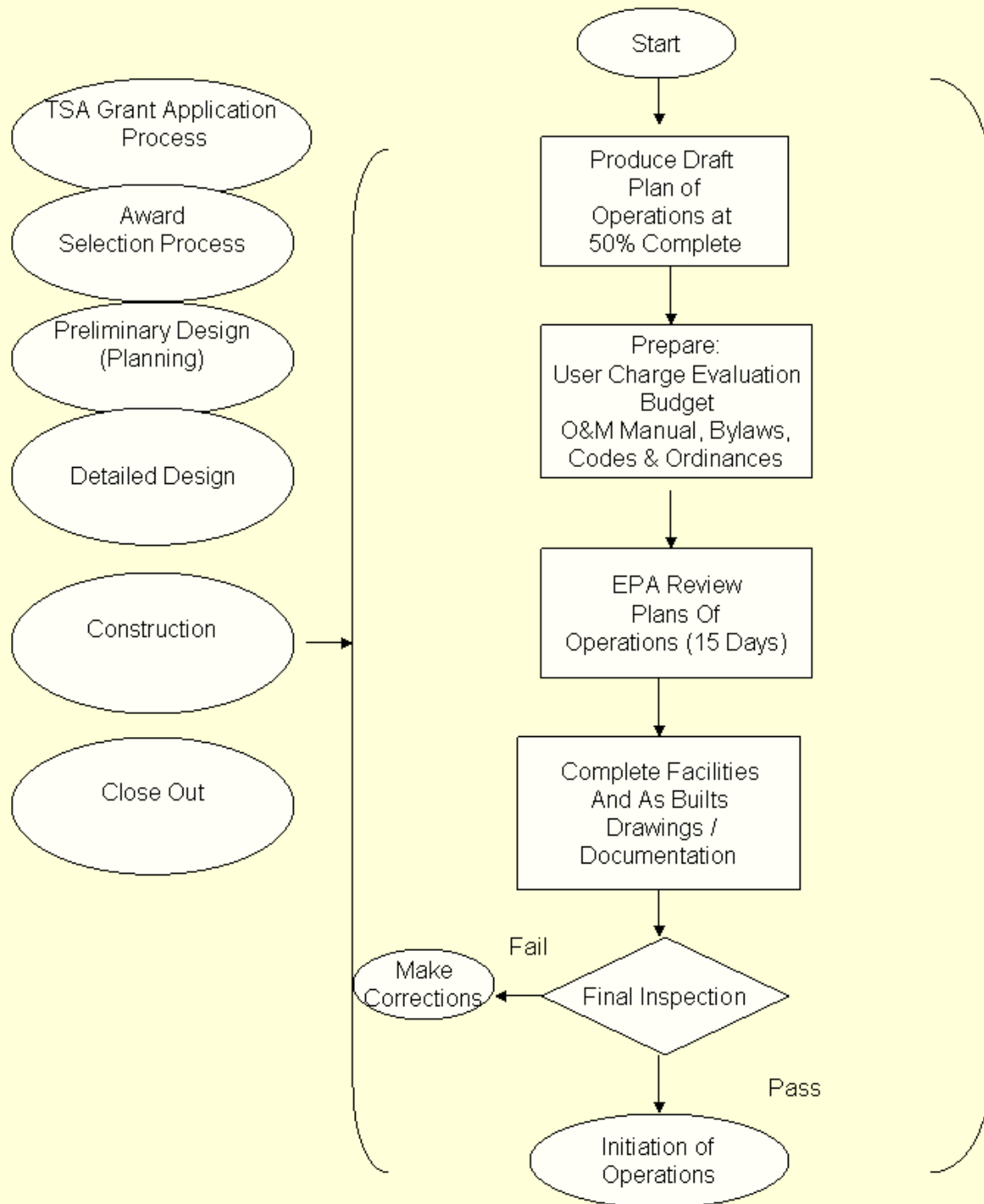
Tribal Set-Aside Construction Grant Program

TSA Detailed Design Activity



Tribal Set-Aside Construction Grant Program

TSA Construction Activity



Tribal Set-Aside Construction Grant Program

TSA Closeout Activity

